



MSINGA MUNICIPALITY SDBIP 2009/2010

1. WHAT IS SDBIP

Section 1 of the MFMA defines SDBIP as:

“A detailed plan approved by the Mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality’s delivery of services and the execution of its annual budget and which must include the following:

- a) **Projections of each month of**
 - (i) Revenue to be collected by source; and
 - (ii) Operational and capital expenditure, by vote
- b) **Service delivery targets and performance indicators** for each quarter”
- c) SDBIP must also include a **three year capital plan**

The SDBIP must provide the Mayor with the required information to assess budget performance of the municipality in terms of section 54 of the MFMA, using the monthly and midyear reports submitted by the Municipal Manager in terms of section 71 and 72.

SDBIP must also provide a mechanism to project and monitor inputs, outputs and outcomes of Heads of Departments by vote.

2. METHODOLOGY

According to section 69(3)(a) of the MFMA requires the accounting officer to submit a draft SDBIP to the Mayor by no later than 14 days after the approval of the budget and drafts of the performance agreements (section 57(1)(b) of MSA). The Mayor must approve the SDBIP by no later than 28 days after the approval of the budget in terms of section 53(1)(c)(ii) of the MFMA.

3. OPERATIONAL AND EXPENDITURE BUDGET

The following table summarises the medium term revenue and expenditure framework budget for the period 2009/10 to 2011/12.

TABLE 1:2009/10 TO 2011/12 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK BUDGET

Description	Current Year	Medium Term Revenue and Expenditure Framework		
	2008/2009	Budget Year	Budget Year +1	Budget Year +2
	Original Budget	2009/2010	2010/11	2011/12
REVENUE PER SOURCE				
INTEREST: INVESTMENTS	2,500,000	3,500,000	2,731,817	2,813,771
INTEREST: VEHICLE LOANS	6,000	-	-	-
INTEREST ON CURRENT A/C	230,000	244,007	251,327	258,866
RESIDENTIAL -ASSESSMENT RATES	72,828	500,000	500,000	500,000
EQUITABLE SHARE	27,748,000	36,575,000	42,306,000	42,306,000
MIG GRANT	12,417,000	16,404,000	12,950,000	12,950,000
FMG GRANT	500,000	1,000,000	1,000,000	1,000,000
MSIG GRANT	735,000	735,000	750,000	750,000
OTHER GRANTS & SUBSIDIES	200,000	200,000	0	0
RENTAL -PROPERTY	20,808	50,000	54,000	58,320
RENTAL -COMMUNITY HALLS	2,080	2,500	2,700	2,916
FEES: PLOUGHING	20,808	30,000	32,400	34,992
FEES:GRASS CUTTING	5,202	5,000	5,400	5,832
WATER TANKER	2,121	2,500	2,700	2,916
FEES: STALLS RENTAL	15,606	18,000	19,440	20,995
WATER TANKER	0	3,000	3,240	3,499
SALES: BUSINESS	15,606	16,556	17,880	19,311
TOTAL DIRECT OPERATING INCOME	44,491,059	59,285,563	60,626,904	60,727,418

TABLE: 2: THE OPERATING EXPENDITURE.

EXPENDITURE PER CATEGORY				
Salaries , Wages & Allowances	7,097,911	8,315,352	8,980,580	9,699,027
Remuneration of Councillors	5,686,373	6,290,669	6,668,108	7,115,697
Depreciation	2,953,927	3,636,000	3,636,000	3,636,000
Repairs & Maintenance	1,100,157	5,104,621	5,512,991	5,954,030
General Costs	9,122,460	12,974,607	13,994,852	15,078,652
Operating Projects	6,444,322	7,801,760	7,432,146	7,432,146
TOTAL DIRECT OPERATING EXPENDITURE	32,405,150	44,123,009	46,224,677	48,915,551
Contributions to capital				

Contributions to funds	700,000	850,183	826,993	826,993
Transfer to /from Reserves				
TOTAL OPERATING EXPENDITURE	33,105,150	44,973,192	47,051,670	49,742,544
LESS:MIG	12,417,000	16,404,000	12,950,000	12,950,000
Surplus/(Deficit)	(1,031,091)	(2,091,629)	625,234	(1,965,126)

3. MONTHLY CASH FLOW

The following table summarises monthly cash flows for the Msinga Municipality.

TABLE 3. Msinga Monthly Cash Flows

	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET
	JULY 2009	AUGUST 2009	SEPT 2009	OCTOBER 2009	NOV 2009	DEC 2009	JAN 2010	FEB 2010	MARCH 2010	APRIL 2010	MAY 2010	JUNE 2010	TOTAL
MONTHLY CASH FLOWS	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening Balance													
Cash Operating Receipts by Source	4,940,464	4,940,464	4,940,464	4,940,464	4,940,464	4,940,464	4,940,464	4,940,464	4,940,464	4,940,464	4,940,464	4,940,464	59,285,563
INTEREST: INVESTMENTS	291,667	291,667	291,667	291,667	291,667	291,667	291,667	291,667	291,667	291,667	291,667	291,667	3,500,000
INTEREST ON CURRENT A/C	20,334	20,334	20,334	20,334	20,334	20,334	20,334	20,334	20,334	20,334	20,334	20,334	244,007
RESIDENTIAL - ASSESSMENT RATES	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	41,667	500,000
EQUITABLE SHARE	3,047,917	3,047,917	3,047,917	3,047,917	3,047,917	3,047,917	3,047,917	3,047,917	3,047,917	3,047,917	3,047,917	3,047,917	36,575,000
MIG GRANT	1,367,000	1,367,000	1,367,000	1,367,000	1,367,000	1,367,000	1,367,000	1,367,000	1,367,000	1,367,000	1,367,000	1,367,000	16,404,000
OPERATING GRANTS & SUBSIDIES	161,250	161,250	161,250	161,250	161,250	161,250	161,250	161,250	161,250	161,250	161,250	161,250	1,935,000
RENTAL -PROPERTY	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	50,000
RENTAL -COMMUNITY HALLS	208	208	208	208	208	208	208	208	208	208	208	208	2,500
FEES: PLOUGHING	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
FEES:GRASS CUTTING	417	417	417	417	417	417	417	417	417	417	417	417	5,000
WATER TANKER	208	208	208	208	208	208	208	208	208	208	208	208	2,500
FEES: STALLS RENTAL	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
WATER TANKER	250	250	250	250	250	250	250	250	250	250	250	250	3,000
SALES: BUSINESS	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	16,556
CASH OPERATING RECEIPTS BY SOURCE	4,940,464	4,940,464	4,940,464	4,940,464	4,940,464	4,940,464	4,940,464	4,940,464	4,940,464	4,940,464	4,940,464	4,940,464	59,285,563

	<i>Cash Operating Payments by Type</i>													
	Salaries , Wages & Allowances	692,946	692,946	692,946	692,946	692,946	692,946	692,946	692,946	692,946	692,946	692,946	692,946	8,315,352
	Remuneration of Councillors	524,222	524,222	524,222	524,222	524,222	524,222	524,222	524,222	524,222	524,222	524,222	524,222	6,290,669
	Depreciation	303,000	303,000	303,000	303,000	303,000	303,000	303,000	303,000	303,000	303,000	303,000	303,000	3,636,000
	Repairs & Maintenance	425,385	425,385	425,385	425,385	425,385	425,385	425,385	425,385	425,385	425,385	425,385	425,385	5,104,621
	General Costs	1,081,217	1,081,217	1,081,217	1,081,217	1,081,217	1,081,217	1,081,217	1,081,217	1,081,217	1,081,217	1,081,217	1,081,217	12,974,607
	Operating Projects	650,147	650,147	650,147	650,147	650,147	650,147	650,147	650,147	650,147	650,147	650,147	650,147	7,801,760
	Contributions to capital	-	-	-	-	-	-	-	-	-	-	-	-	
	Contributions to funds	70,849	70,849	70,849	70,849	70,849	70,849	70,849	70,849	70,849	70,849	70,849	70,849	850,183
	CASH OPERATING PAYMENTS BY TYPE	3,747,766	3,747,766	3,747,766	3,747,766	3,747,766	3,747,766	3,747,766	3,747,766	3,747,766	3,747,766	3,747,766	3,747,766	44,973,192
	<i>Other Cash Payments by Type</i>													
	MIG Grant Expenditure	1,367,000	1,367,000	1,367,000	1,367,000	1,367,000	1,367,000	1,367,000	1,367,000	1,367,000	1,367,000	1,367,000	1,367,000	16,404,000
	TOTAL CASH PAYMENTS BY TYPE	5,114,766	5,114,766	5,114,766	5,114,766	5,114,766	5,114,766	5,114,766	5,114,766	5,114,766	5,114,766	5,114,766	5,114,766	61,377,192
	NET INCREASE / (DECREASE) IN CASH & INVESTMENTS	- 174,302	- 174,302	- 174,302	- 174,302	- 174,302	- 174,302	- 174,302	- 174,302	- 174,302	- 174,302	- 174,302	- 174,302	- 2,091,629

4. QUARTERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS

The following table presents the objectives, key performance indicators and targets of Msinga municipality. The table will be updated quarterly as a mechanism to fast track service

delivery and to identify early warning signals with regard to attaining the municipality's objectives as presented in the IDP 2009/10.

QUATERLY PROJECTIONS FOR SERVICE DELIVERY TARGETS AND OTHER PERFORMANCE INDICATORS